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FISCAL IMPACT REPORT

ORIGINAL DATE 1/23/06

SPONSOR Komadina LAST UPDATED HB

SHORT TITLE EXPAND GO BOND PURPOSES SB 86

ANALYST Schardin

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA)

SUMMARY

Synopsis of Bill

Senate Bill 86 amends Section 3-30-5 NMSA 1978 to allow municipal general obligation bonds to be used for farmland preservation, conservation easements or open space preservation.

SIGNIFICANT ISSUES

DFA consulted with government bond experts, who confirmed that the amendment proposed in Senate Bill 86 is a technique that has been used in other jurisdictions and is generally seen as an appropriate use over voter-approved debt.

DFA also noted that sometimes municipal bonds are used to purchase real estate, while in some cases government bonds may be used to purchase “development rights” from a land or farm owner. According to EMNRD, a municipality who buys these “development rights” pays a landowner for the partial value of the land in order to protect the land from being developed for anything but farming or open space.

SS/nt